



COUNTY OF LOS ANGELES TREASURER AND TAX COLLECTOR



KENNETH HAHN HALL OF ADMINISTRATION
500 WEST TEMPLE STREET, ROOM 437
LOS ANGELES, CA 90012


MARK J. SALADINO
TREASURER AND TAX COLLECTOR

May 3, 2005

TELEPHONE
(213) 974-2101

FACSIMILE
(213) 626-1812

TO: Louisa Ollague, Legislative Deputy, First Supervisorial District
Clinton Tatum, Budget Deputy, Second Supervisorial District
Brence Culp, Budget Deputy, Third Supervisorial District
Stacey Roa Falcioni, Deputy, Fourth Supervisorial District
Angela Mazzie, Budget Deputy, Fifth Supervisorial District

FROM: Mark J. Saladino
Treasurer and Tax Collector 

SUBJECT: **AGENDA ITEM NO. (TBD) FOR MAY 24, 2005 – RECOMMENDATIONS FOR APPROVAL OF TREASURER AND TAX COLLECTOR TAX-DEFAULTED SECURED PROPERTY FEES**

This Department has filed the attached Board letter recommending approval to increase the Notification of Parties of Interest Fee from the fixed statutory fee of \$35 to a total fee of up to \$270 per parcel which allows the Treasurer and Tax Collector (TTC) to recover actual costs, including labor, for mailing notifications to property owners and parties of interest impacted by the public auction of tax-defaulted secured properties that are subject to the power of sale. The TTC is also recommending that the Board approve an increase to the Title Search Fee from \$57.50 to \$60.00 to allow full recovery of the actual costs incurred by the department under a Board approved contract with West Coast Title Company for title investigation services.

Generally, tax-defaulted real property becomes subject to the power of sale and may be sold at public auction after five years or more have elapsed since the initial default occurred for non-payment of property taxes, and the property owner has not redeemed the parcel, and after three or more years for nonresidential commercial property and property subject to certain nuisance abatement liens. During this five year or three year period, TTC provides notice to property owners and parties of interest through numerous notices that the taxes are in default, how to cure the tax default, that additional penalties and fees will be added to the amount owed if the tax default is not cured by specified dates, and the amount that will be assessed for these additional penalties and fees. If the tax default is not cured during the multi-year period of time it takes for a property to become subject to the power of sale, the \$35.00 fee is assessed to recover costs incurred by TTC; this fee is imposed on July 1 of the year the property becomes subject to the power of sale. Subsequent and labor intensive research and certified mailing of additional, numerous notices are conducted from July 1 to December 1. If by December 1 the property taxes owed are still in default, the additional \$235.00 fee to recover costs incurred by TTC during the July 1 to December 1 period is assessed. If the owner cures the tax default between the period of July 1 to December 1, the additional \$235.00 is not assessed.

Government Code section 54985(a) authorizes the Board of Supervisors to increase statutory fees, if not otherwise prohibited, in an amount reasonably necessary to recover the actual costs incurred in performing these services and/or enforcing these provisions. Accordingly, TTC is recommending that the Board increase these statutory fees in order for TTC to recover actual costs.

TTC proposes to apply the two-tiered Notification of Parties of Interest Fee of up to \$270.00 per parcel and the Title Search Fee of \$60.00 as appropriate to the tax-defaulted parcels that are subject to power of sale on and after July 1, 2005 and scheduled for auction on and after December 1, 2005.

If you have any questions, please feel free to call me at (213) 974-2101, or your staff may contact Henry Roman, Assistant TTC, at (213) 974-0703.

MJS:TY:HR

Attachment

c: Henry Román